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Report of the Expert Group on International Statistical Classifications

Note by the Secretary-General

In accordance with Economic and Social Council decision 2017/228 and past practices, the Secretary-General has the honour to transmit the report of the Expert Group on International Statistical Classifications. In the report, the Expert Group provides updated information on work related to the development and implementation of international statistical classifications in various fields. It also describes its work on the coordination of classifications work and the international family of statistical classifications.

The Commission is invited to comment on the issues described in the present report and to endorse the revised Classification of Individual Consumption According to Purpose (COICOP 2018) for use as an international standard.

* E/CN.3/2018/1.

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Report of the Expert Group on International Statistical Classifications

I. Introduction

1. The Expert Group on International Statistical Classifications was charged by the Statistical Commission at its thirtieth session, held from 1 to 5 March 1999, with improving cooperation on international classifications and ensuring harmonization and convergence among classifications in the international family of economic and social classifications (E/1999/24, chap. VII).

2. The international family of economic and social classifications comprises the classifications that play the role of standard classifications in individual or multiple statistical domains and that have been reviewed and approved as guidelines by the Statistical Commission or another competent intergovernmental body on such matters as economics, demographics, labour, health, education, social welfare, geography, the environment and tourism.

3. The present report provides an overview of the main activities in the area of international statistical classifications carried out since the forty-seventh session of the Statistical Commission, held in 2016.

II. Activities of the Expert Group since 2016

4. The Expert Group on International Statistical Classifications met in New York from 6 to 8 September 2017 to discuss a wide range of topics, including work within the international family of economic and social classifications such as an approval process for the international classifications, the criteria to be used in deciding membership in, and the quality of, classifications in the family, and improved options for website dissemination, accessibility and maintenance. In addition, there were broader considerations of emerging areas for official statistics such as gender identity and disaster risk reduction, and better communication with classification users and national and regional efforts to further progress on the implementation of revised classifications and the effective management of classifications.

5. The visibility of the Expert Group before the Statistical Commission and the international community was discussed. In particular, the role of the Expert Group was considered in relation to the initiation, development, approval and implementation of international statistical classifications. The development and endorsement by the Expert Group of an approval process for supporting this type of work and enabling better implementation of best practice approaches, stem from the endorsement by the Statistical Commission of the role of the Expert Group as the central coordination body for current and future work on all statistical classifications that are the responsibility of the Statistics Division of the Department of Economic and Social Affairs of the Secretariat. Initiation of any international classification development by any international agency is first to be coordinated with the Expert Group.[1]

6. The Expert Group reviewed the proposed composition of the international family of economic and social classifications, the details of which will be available on the updated Statistics Division website. In addition, the Expert Group considered making information on its existing best practices and criteria documentation more

[1] See E/2016/24, decision 47/108 (b) and (c).

user friendly on its website in order to support regional and national statistical agencies.

7. The Expert Group received reports from the technical subgroups working on specific issues under the guidance of the Expert Group itself, namely:

- Classification of Individual Consumption According to Purpose (COICOP)
- International Standard Industrial Classification of All Economic Activities (ISIC) Rev. 4
- Central Product Classification (CPC) Ver. 2.1

8. In addition, the Expert Group continued to collaborate with and support the work done by international agencies such as the Food and Agriculture Organization of the United Nations (FAO), the United Nations Office on Drugs and Crime (UNODC), the International Labour Organization (ILO), the Secretariat of the Pacific Community and the Institute for Statistics of the United Nations Educational, Scientific and Cultural Organization (UNESCO).

9. The work of the Expert Group was administered by the Bureau, which met on a regular basis to ensure that the Group functioned consistently throughout the period, that individual work elements were carried out and that guidance and communication were facilitated for the Group on matters pertaining to international statistical classifications. The composition of the Expert Group and the Bureau can be found in the annex to the present report.

III. Work of the technical subgroups

A. Classification of Individual Consumption According to Purpose

10. The Expert Group received a report from the Technical Subgroup on the Classification of Individual Consumption According to Purpose on the work done in reviewing and finalizing the new COICOP 2018.

11. The outcomes of the full review, including details on the global consultation with national statistical agencies, the collaboration with the Intersecretariat Working Group on National Accounts and the Intersecretariat Working Group on Price Statistics, and issues resolved were presented to the Expert Group along with some additional issues for final resolution.

12. The Expert Group provided advice on the issues presented and, in principle, endorsed the revised classification pending the additional changes and editorial issues that needed addressing. The Technical Subgroup was congratulated on its work; and its next step will be to investigate the usage and the impact of the COICOP changes on the other functional classifications within the System of National Accounts (SNA) to determine whether those classifications required review.

13. The complete draft of COICOP 2018 was made available to the Commission as a background document. The introductory part of the document includes a detailed summary of the conceptual and structural changes in the new classification.

14. The Statistical Commission is invited to adopt the revised COICOP (COICOP 2018) for use as an international statistical classification.

B. International Standard Industrial Classification, Rev. 4

15. The Expert Group received a report from the Technical Subgroup on the International Standard Industrial Classification (ISIC), in which the Technical Subgroup outlined the progress on the treatment of factoryless goods producers, including the development of a typology and the establishment of a methodology for identifying factoryless goods producers. In addition, the Expert Group was asked to consider the treatment of intermediaries and whether this would be reason to initiate a review of ISIC. As an outcome of this discussion, a set of guidelines on how to treat intermediaries was adopted.

16. The work of the Organization for Economic Cooperation and Development and the Economic Commission for Europe task force on reviewing the statistical units model was presented to the Expert Group as those outcomes that could have a significant impact with regard to ISIC. Further discussion around the need for alternate aggregations, such as those for the blue economy, were discussed with a view to developing rules for when these could be created and approved.

17. It was agreed that there was no need to review ISIC Rev. 4 in the immediate future and that the Technical Subgroup would assess the issues on its work on factoryless good producers and the work on the statistical units model and make a recommendation at the next meeting of the Expert Group on whether ISIC needed to be reviewed.

C. Central Product Classification, Ver. 2.1

18. The Expert Group received a report from the Statistics Division on matters affecting the Central Product Classification (CPC). It was noted that the resolution of the issues pertaining to ISIC, and the impending revisions of the Harmonized Commodity Description and Coding System (HS) to HS 2022 and the Standard International Energy Product Classification meant that a decision to review CPC was not possible at this point.

19. The Technical Subgroup on Central Product Classification was also asked to ensure that the HS 2017-CPC correspondence was completed and that any other issues would be investigated, and to report back to the Expert Group with any recommendations.

IV. Other work on international classifications

20. The Expert Group continued to liaise and collaborate with custodians who are reviewing their statistical classifications, by providing advice on best practices; reviewing the concepts and principles of existing and emerging international classifications; facilitating the harmonization of related classifications; reviewing classifications against the criteria for inclusion in the international family; and facilitating or undertaking classification reviews when appropriate.

A. Harmonized Commodity Description and Coding System

21. The Expert Group was advised on the development and amendments that had been released in the Harmonized Commodity Description and Coding System for 2017 and on the progress on HS 2022 development work. The Expert Group again raised the issue as to how national statistical offices could influence the System

development process since changes to the System were primarily advised by national customs agencies.

22. It was agreed that the World Customs Organization secretariat and the Expert Group would continue to work more collaboratively and establish an ongoing formal relationship between them.

B. International Classification of Status in Employment

23. The Expert Group was informed on the progress made by ILO on the recommendations from the nineteenth International Conference of Labour Statisticians, along with an overview of the work undertaken in preparation for the 2018 tripartite meeting of experts. A number of new standards for new concepts were proposed to replace the International Classification of Status in Employment (ICSE) 93 to support the new measures for employment and work. New and innovative classification options were presented to the Expert Group for consideration. The Expert Group agreed to continue to support ILO and be more fully involved in the working group revising ICSE.[7]

C. International Standard Classification of Occupations

24. The key issue for the Expert Group at its previous meeting, held in 2015, was the consideration of the need for a revision to the International Standard Classification of Occupations (ISCO) particularly with changes in skill levels and other structural issues that the classification was now presenting. A recommendation was sent to ILO proposing the creation of a working group to support ILO in determining an approach for the future revision of ISCO. It was noted, however, that since the previous meeting of the Expert Group, and the presentation of the known issues regarding ISCO, a wider range of issues now faced the viability of the classification. The Expert Group recommended that the twentieth International Conference of Labour Statisticians endorse a full revision of ISCO so that a revised ISCO could be considered at the International Conference of Labour Statisticians to be held in 2023, in order to enable implementation prior to the global round of censuses in 2025.

D. Other classification initiatives involving the Expert Group

25. The Expert Group discussed emerging initiatives in global and regional statistical classifications and the work undertaken on metadata standards and associated classification management systems.

26. Key areas presented and discussed related to the following issues:

- Work of the Institute for Statistics of UNESCO on a cultural satellite account
- Implementation by the United Nations Office on Crime and Drugs of the International Classification for Crime Statistics (ICCS)
- Work of the Secretariat of the Pacific Community (SPC) on regionalization and the adoption of international classifications in the Pacific

[7] A detailed description of the International Classification of Status in Employment revision process and conceptual issues under discussion can be found in the report of the International Labour Organization on recent developments in work and employment statistics (E/CN.3/2018/18).

- Economic Commission for Latin America and the Caribbean Working Group on International Classifications
- Work of the Economic and Statistical Observatory of Sub-Saharan Africa (Afristat) on regionalization and adoption of international classifications in African countries
- Development of a statistical standard and classification for gender identity, sexual orientation and sexual identity in Australia, Canada and New Zealand
- Classifications within the System of Economic and Environmental Accounting (SEEA)
- Generic Statistical Information Model (GSIM) and Metadata Standards for Statistical Classification, including Statistical Data and Metadata Exchange (SDMX)
- Swiss Federal Statistical Office coding tool
- Disaster risk reduction statistics

V. Future work and organization of the Expert Group

27. The Expert Group reviewed the progress made and working arrangements since the 2015 meeting of the Expert Group. The Expert Group has been able to function more consistently throughout the period owing to improved communication with the Bureau of the Statistical Commission and greater involvement in a wider array of international statistical classification matters.

28. The minutes of the Bureau meetings and action item lists are circulated to the Expert Group in order to provide transparency in the process and keep the Group informed of progress in the many areas of work in which it is involved.

29. The development of alternative mechanisms for discussion and the dissemination of classification matters will be explained with a view to replacing the current discussion format and better promoting the outcomes of classification determinations. The classifications best practices and criteria documentation will be set out in a more user-friendly format to be supplied to regional and national statistical organizations.

30. The Expert Group will continue to expand its areas of involvement to wider statistical classification matters such as environmental classifications, disaster risk reduction statistics, integration of statistical and geospatial classifications, big data impacts and other new areas of official statistics. In addition, the Group will explore the utilization of the Sustainable Development Goals as a mechanism for promoting the role and work of the Expert Group.

VI. Points for discussion

31. The Commission is invited:

(a) To endorse the revised Classification of Individual Consumption According to Purpose (COICOP 2018) for use as an international standard;

(b) To comment on the work carried out by the Expert Group.

Annex

Members of the Expert Group on International Statistical Classifications

Countries

Australia, Brazil, Canada, China, Costa Rica, France, Ghana, India, Jordan, Mexico, Morocco, New Zealand, Oman, Philippines, Republic of Korea, Russian Federation, Singapore, South Africa, Switzerland and United States of America

Organizations

Economic and Statistical Observatory of Sub-Saharan Africa (AFRISTAT), Eurostat, Food and Agriculture Organization of the United Nations, International Labour Organization, Secretariat of the Pacific Community, Institute for Statistics of the United Nations Educational, Scientific and Cultural Organization, United Nations Office on Drugs and Crime, Statistics Division of the Department of Economic and Social Affairs of the Secretariat and the World Customs Organization

Bureau

- Andrew Hancock (New Zealand), Chair
- Alice Born (Canada)
- Ana Franco (Eurostat)
- Eva Castillo (Mexico)
- Severa de Costo (Philippines)
- Ralf Becker (Statistics Division), ex officio